

103^D CONGRESS
1ST SESSION

H. R. 600

To amend the Internal Revenue Code of 1986 to impose a tax on the
importation of crude oil and refined petroleum products.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 26, 1993

Mr. ENGLISH of Oklahoma introduced the following bill; which was referred
to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to impose
a tax on the importation of crude oil and refined petro-
leum products.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. EXCISE TAX ON IMPORTED CRUDE OIL AND RE-**
4 **FINED PETROLEUM PRODUCTS.**

5 (a) IN GENERAL.—Subtitle E of the Internal Reve-
6 nue Code of 1986 (relating to alcohol, tobacco, and certain
7 other excise taxes) is amended by adding at the end there-
8 of the following new chapter:

1 **“CHAPTER 55—IMPORTED CRUDE OIL AND**
2 **REFINED PETROLEUM PRODUCTS**

“Sec. 5885. Imposition of tax.

“Sec. 5886. Average international price.

“Sec. 5887. Definitions and special rules.

“Sec. 5888. Registration.

3 **“SEC. 5885. IMPOSITION OF TAX.**

4 “(a) GENERAL RULE.—If the average international
5 price of crude oil for any 4-week period is less than \$24,
6 then there is hereby imposed an excise tax on any petro-
7 leum product entered into the United States for use, con-
8 sumption, or warehousing during the week following such
9 4-week period.

10 “(b) AMOUNT OF TAX.—

11 “(1) IN GENERAL.—The amount of tax imposed
12 by subsection (a) with respect to any barrel shall be
13 equal to the excess of—

14 “(A) \$24, over

15 “(B) the average international price of
16 crude oil for the preceding 4-week period.

17 “(2) FRACTIONAL PART OF BARREL.—In the
18 case of a fraction of a barrel, the tax imposed by
19 subsection (a) shall be the same fraction of the
20 amount of such tax imposed on a whole barrel.

21 “(c) TIME TAX IS IMPOSED.—

1 “(1) IN GENERAL.—The tax imposed by sub-
2 section (a) shall be on the first sale within the Unit-
3 ed States of the petroleum product.

4 “(2) TAX ON CERTAIN USES.—If—

5 “(A) any petroleum product entered into
6 the United States is used within the United
7 States, and

8 “(B) before such use, no tax was imposed
9 under subsection (a),
10 then the tax imposed by subsection (a) shall be on
11 such use.

12 “(d) LIABILITY FOR PAYMENT OF TAX.—

13 “(1) SALES.—The tax imposed on the first sale
14 described in subsection (c)(1) shall be paid by the
15 seller thereof.

16 “(2) USE.—The tax imposed on any use de-
17 scribed in subsection (c)(2) shall be paid by the per-
18 son using the petroleum product.

19 **“SEC. 5886. AVERAGE INTERNATIONAL PRICE.**

20 “(a) IN GENERAL.—For purposes of this subchapter,
21 the average international price of crude oil for any 4-week
22 period shall be the average of the weighted average price
23 per barrel of crude oil for each week in such period, as
24 estimated and published in the Weekly Petroleum Status

1 Report prepared by the Secretary of Energy or his
2 delegate.

3 “(b) PUBLICATION.—The Secretary shall publish for
4 each week the average international price determined
5 under subsection (a) for the preceding 4-week period.

6 **“SEC. 5887. DEFINITIONS AND SPECIAL RULES.**

7 “(a) DEFINITIONS.—For purposes of this chapter—

8 “(1) CRUDE OIL.—The term ‘crude oil’ includes
9 crude oil condensates and natural gasoline but does
10 not include domestic crude oil (within the meaning
11 of section 4612(a)(2)).

12 “(2) BARREL.—The term ‘barrel’ means 42
13 United States gallons.

14 “(3) EXPORT.—The term ‘export’ includes ship-
15 ment to a possession of the United States.

16 “(4) PETROLEUM PRODUCT.—The term ‘petro-
17 leum product’ includes—

18 “(A) crude oil, and

19 “(B) refined oil, fuels, and chemical feed-
20 stocks which are refined or derived from crude
21 oil.

22 “(b) TAX-FREE EXPORTS.—

23 “(1) IN GENERAL.—Under regulations pre-
24 scribed by the Secretary, no tax shall be imposed
25 under this chapter on the sale of any petroleum

1 product for export or for resale by the purchaser to
 2 a second purchaser for export.

3 “(2) PROOF OF EXPORT.—Where any petro-
 4 leum product has been sold free of tax under para-
 5 graph (1), such paragraph shall cease to apply with
 6 respect to the sale of such petroleum product unless,
 7 within the 6-month period which begins on the date
 8 of the sale, the seller receives proof that the petro-
 9 leum product has been exported.

10 **“SEC. 5888. REGISTRATION.**

11 “Every person subject to tax under section 5885 shall
 12 register with the Secretary at such time and in such man-
 13 ner as the Secretary may prescribe.”

14 (b) CONFORMING AMENDMENT.—The table of chap-
 15 ters for subtitle E of such Code is amended by adding
 16 at the end thereof the following new item:

“CHAPTER 55. Imported crude oil and refined petroleum prod-
 ucts.”

17 (c) DEDUCTIBILITY OF IMPORTED CRUDE OIL
 18 TAX.—The first sentence of section 164(a) of such Code
 19 (relating to deductions for taxes) is amended by inserting
 20 after paragraph (5) the following new paragraph:

21 “(6) The tax on imported petroleum products
 22 imposed by section 5885.”

23 (d) EFFECTIVE DATE.—The amendments made by
 24 this section shall apply with respect to sales of imported

- 1 crude oil and imported refined petroleum products in cal-
- 2 endar quarters beginning more than 30 days after the date
- 3 of the enactment of this Act.

